

**In the Claims**

1. (Currently Amended) A method of incorporating advertisements into ~~rendered~~ video content, including the steps of sensing watermark data encoded in the video content, and triggering advertisement insertion based thereon.
2. (Original) The method of claim 1 in which the inserted advertisement is inserted from a personal video recorder (PVR) storage device.
3. (Original) The method of claim 1 in which the inserted advertisement is provided on an optical storage disk sent to a user.
4. (Original) The method of claim 1 that includes consulting a rule set to determine which advertisement to insert, based on one or more of the following parameters: time, zip code data, user demographic data, data indicating advertisements previously shown, and data indicating subject matter of the video content.
5. (Original) A method of video content delivery, including providing video content having a digitally watermarked promotional message therein, and sensing same when rendered at a user device, wherein if the promotional message is skipped over, the failed sensing of the watermark serves to change the terms under which the content is provided.
6. (Original) The method of claim 5 in which the changed terms include assessing a charge for skipping the promotional message.
7. (Original) A method of video content delivery, including providing video content having plural digitally watermarked promotional messages therein, and sensing same when rendered at a user device, wherein sensing of one or more of said watermarked messages entitles a user to access other content or capabilities.

8. (Currently Amended) A method of video content delivery, including providing video content having a first digital watermark inserted during distribution thereof by a ~~content delivery~~ first entity, and a second digital watermark earlier inserted by a different entity, ~~wherein the second digital watermark permits user linking to connected content specified by said different entity, and the first digital watermark permits user linking to connected content specified by said delivery entity.~~

9. (Original) A method comprising:  
receiving video content at a user device without paying a proprietor for the content;  
rendering the video content for viewing;  
detecting a digital watermark in the rendered video content; and  
triggering a payment to said proprietor based on detection of the digital watermark during rendering.

10. (Original) A method comprising:  
rendering video content to a user, the video content including promotional content integrated therein, rather than interrupting same;  
receiving a signal from a user interaction device indicating selection of the promotional content;  
in response to said selection, providing to said user additional promotional information related to the selected promotional content; and  
providing the user a reward for receiving said additional promotional information.

11. (Original) The method of claim 10 in which the reward includes promotional points redeemable for premiums.

12. (Original) The method of claim 10 in which said additional promotional information is provided to the user through a process that makes use of digital watermark information conveyed in said video content.

13. (Original) A method of rendering video content, comprising:  
decoding a watermark from a portion of the video not yet rendered to a user display;  
determining from said watermark a rating of said portion;  
consulting a data store to obtain a desired rating; and  
if said portion has a rating not in compliance with the desired rating, triggering a responsive action;  
wherein video content not in compliance with the desired rating is not rendered to the user display.

14. (Original) The method of claim 13 in which the action is not rendering said portion to the user display.

15. (Original) The method of claim 13 in which the action is substituting a different portion for said portion and rendering the substitute portion for user display.

16. (Original) A method comprising:  
sensing a photo identification document presented to an optical sensor device by a user, the sensor device yielding image data;  
decoding a digital watermark from the image data;  
confirming the user's age by reference to said digital watermark; and  
enabling an action based on confirmation of the user's age.

17. (Original) In a projection system that includes a projector and a screen, the projector projecting light corresponding to a motion picture onto the screen, an improvement comprising interposing into said system a variable transparency, and driving the transparency with signals causing it to impose a digital watermark on the projected motion picture.

18. (Original) The system of claim 17 in which the variable transparency is positioned in a focal plane of the system.

19. (Original) In a content creation software tool, an improvement comprising a user interface permitting a user to specify digital watermark information, and a software interface permitting the tool to pass said information, together with content data, to an on-line watermarking server, and receive back therefrom a watermarked version of the content data.

20. (Previously Presented) A portable video recording device having included therein a watermark detector, wherein the device can sense – by detection of a watermark – if it is being used to film a scene such as a copyrighted movie having a watermark encoded therein, and upon sensing same, stop recording.

21. (New). The method of claim 8 wherein the second digital watermark permits user linking to connected content specified by said different entity, and the first digital watermark permits user linking to connected content specified by said first entity.

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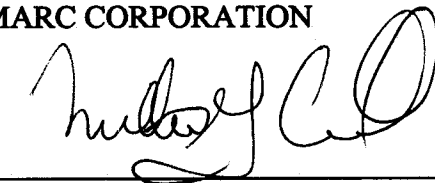
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Respectfully submitted,

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